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United States Senate

WASHINGTON, DC 20510

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COMMITTEES:
AGRICULTURE, NUTRITION AND FORESTRY
BANKING, HOUSING AND
URBAN AFFAIRS

HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS INDIAN AFFAIRS

SMALL BUSINESS AND ENTREPRENEURSHIP

The Honorable Donald J. Trump President of the United States The White House 1600 Pennsylvania Avenue NW Washington, DC 20500-0003

Dear Mr. President:

As you consider U.S. policy toward Cuba, I urge you to seriously consider the impact rolling back new policies implemented last year to open our country to Cuba could have on rural America.

As we continue to work to expand agricultural exports to Cuba – which would support farmers and ranchers in North Dakota and across the country – we need federal policies that help move us in the right direction, not reverse course. The positive steps taken last year towards normalization with Cuba have had a direct impact on the jobs and economy of rural Americans. Especially as farmers and ranchers face volatile and low commodity prices, expanding exports is critical to improving their bottom lines. But reversing some of the progress made could hurt future progress for agricultural exports.

Cuba is a natural market for North Dakota's crops like black beans, peas, and lentils that are in high demand in Cuba. Cuba imports about 80 percent of its food, and Cubans' diets are rich in beans, dry peas, and lentils — many of the crops that are grown in the Upper Midwest and North Dakota. At the same time, our producers' bottom lines depend on exports. North Dakota is the ninth largest agriculture exporting state in the country, reinforcing the important role agricultural exports play in supporting the economy of my state and many other rural states.

Farmers and ranchers in North Dakota, and across the United States, have for far too long been at a competitive disadvantage to countries like Brazil, China, and Vietnam. While Cuba is only about 100 miles off the coast of Florida, the United States has only a 10 percent market share for agriculture supplies – falling behind Argentina, Brazil, and the European Union. This is unacceptable for a nation that prides itself as being a net agricultural exporter and having a trade surplus of \$25.5 billion in 2015. It is important that we continue to build upon our successes, particularly at a time when our farmers and ranchers are facing low commodity prices here at home.

Last year, export restrictions were loosened to allow companies to sell non-agricultural products to Cuba on credit, but statutory restrictions on financing agricultural products are still in place. Right now, all agricultural products exported to Cuba must still be completed using cash only and require payment in advance. However, other countries allow private banks and companies to

offer credit for agricultural exports to Cuba. This prohibition on providing private credit for exports places American farmers and ranchers at a competitive disadvantage. There's no reason for Cuba to buy agricultural products from Canada, Brazil, or Vietnam rather than from North Dakota farmers. Understanding these concerns, I introduced the Agricultural Export Expansion Act (S. 275), along with U.S. Senator John Boozman (R-AR), to lift the ban on private banks and companies from offering credit for agricultural exports. This would help level the playing field for exporters across the country and support American jobs and rural communities. We cannot let the United States sit on the sidelines while other countries swoop in to meet demand for this growing market.

In 2016, I travelled to Cuba and met with top U.S. and Cuban leaders to discuss opening agricultural trade. During the trip, the U.S. Department of Agriculture announced it had agreed to my request to allow federal checkoff programs to spend producer-generated funds to promote U.S. agricultural products in Cuba, and also signed a Memorandum of Understanding to further normalize ties with Cuba in agriculture. These were important steps forward to expand trade relationships. For our farmers and ranchers to benefit, that progress must continue.

Promoting trade to Cuba should in no way obscure Cuba's very real human rights challenges. In fact, trade should have the opposite effect — it should encourage Cuba to improve and become a freer society. Expanding trade and the free flow of ideas will only expand human rights in Cuba, as enhanced engagement with other countries has spread free speech and democracy across the globe.

As you consider further actions related to Cuba, please fully consider the economic potential this decision could have on the farm economy, rural America, and any future opportunity for the expansion of export markets for American farmers and ranchers.

Sincerely,

Heidi Heitkamp
United States Senate